

State Representative

# John J. Day

District 100

January, 2000

Dear Friend,

Short sessions in the even numbered years too often produce pre-election partisan speeches and devote too little time to promoting the public interest. Just the same, I believe some worthwhile new laws will emerge from this 2000 session.

In the Spring newsletter I will try to summarize some of the new laws for you. In this mailing the focus will be tax deductions and credits plus the new tobacco settlement fund.

As taxpayers all of us need to be aware of possible tax breaks as we prepare to pay our income and/or property taxes. Please refer to the charts in this newsletter for information on credits and deductions available perhaps to you, members of your family or others you know.

As you know, Indiana and a number of other states sued the tobacco companies. As part of the settlement, the states will receive yearly payments over the next 20 to 25 years. Indiana's share for the first year will be about \$110 million.

How to best use the money has been the subject of great debate. Treatment, prevention of smoking and health education, funding for community health centers, prescription drugs for senior citizens, public health programs and research into smoking related diseases are among suggested uses of the money. Would be pleased to hear your ideas about the settlement money.

All the best,



How to contact

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## *Income tax deductions which may be available*

*You are the single parent of two children, you rent your home and you earn less than \$20,000 per year.*

*You and your spouse have three children. You own your own home and earn around \$40,000 per year.*

*You and your spouse are over 65 and own your own home. One of you is a veteran, the other is blind*

Renters Deduction . . . . . **\$2,000**

Dependent Children  
Deduction (\$2500 x2) . . . . . **\$5,000**

Homeowners Income Tax  
Deduction . . . . . **\$2,500**

Dependent Children  
Deduction (\$2500 x3) . . . . . **\$7,500**

Homeowners Income Tax  
Deduction . . . . . **\$2,500**

Senior Citizens Income Tax  
Deduction (\$1500x2). . . . . **\$3,000**

Long Term Care Insurance **premium**  
Deduction . . . . . **paid**

# Property tax deductions which may be available

*You and your spouse own your own home and own a small business. You earn around \$40,000 per year.*

*You and your spouse are over 65 and own your own home. One of you is a veteran, the other is blind*

Homestead Credit . . . . . **10% off of your property tax bill**

Mortgage Deduction. . . . . **\$1,000 \***

Small Business Owners. . . . . **State funded credit on the first \$12,500 of inventory and equipment**

\* Mortgage Deduction: balance of mortgage, half of the value of the property or \$1,000, whichever is less

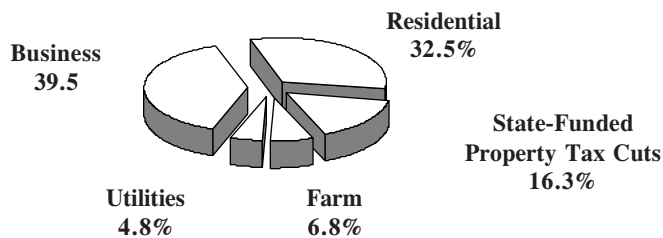
Homestead Credit . . . . . **10% off of your property tax bill**

Senior Citizens Property Tax Deduction . . . . . **\$2,000**

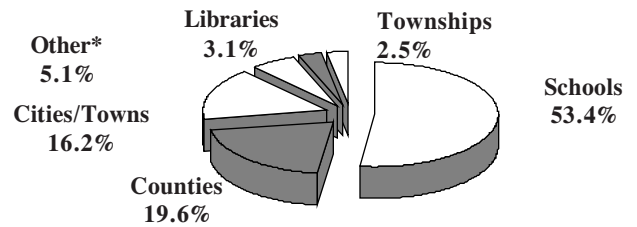
Blind or Disabled Deduction . . . . . **\$2,000**

Veterans Deduction . . . . . **\$?,000**

## Who Pays Property Taxes



## Who Receives Property Taxes



\*Includes solid waste, fire and water conservancy districts.

Bulk Rate  
U.S. Postage  
**PAID**  
Indiana House of  
Representatives



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